

Message Text

PAGE 01 STATE 243999

10

ORIGIN EA-10

INFO OCT-01 ISO-00 CG-00 DOTE-00 NSC-05 NSCE-00 SS-15

CIAE-00 INR-07 NSAE-00 PA-02 RSC-01 USIA-15 PRS-01

SP-02 /059 R

DRAFTED BY EA/P:STAFF:PP

APPROVED BY EA/P:AHROSEN

----- 003477

R 060119Z NOV 74

FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO TRSY

USAGE NKP

CINCPAC HONOLULU HI

COGARD

UNCLAS STATE 243999

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: NOVEMBER 5 EA PRESS SUMMARY

1. INDOCHINA

REUTER (SAIGON) REPORTS AN QUANG SECT REAFFIRMED TTS
DEMAND TUESDAY FOR THIEU'S RESIGNATION AND EXPRESSED
SUPPORT FOR PEOPLE'S ANTI-CORRUPTION MOVEMENT. SECT
SPOKESMAN TOLD REPORTERS THAT CHURCH HAD NEVER ACCEPTED
THIEU AS HEAD OF STATE AND THAT IT SUPPORTED PACM
UNCLASSIFIED

PAGE 02 STATE 243999

BECAUSE "BOTH OF US ARE ASKING THIEU TO RESIGN." HE
SAID AN QUANG IS STILL CONSIDERING WHETHER TO BECOME
INVOLVED IN STREET DEMONSTRATIONS, AND THAT WHILE
IT WILL NOT DISAPPROVE IF INDIVIDUALS OR ORGANIZATIONS

BECOME INVOLVED IN SUCH ACTIVITIES, THEY SHOULD BE NON-VIOLENT AND SHOULD AIM AT RESTORING PEACE. ASKED TO COMMENT ON SPECULATION THAT OPPOSITION LEADERS MAY BE INVITED TO JOIN "NATIONAL UNION" CABINET FOLLOWING RESIGNATION OF FOUR MINISTERS LAST MONTH, SPOKESMAN SAID THIS WOULD DO NO GOOD UNLESS GOVT POLICY CHANGED.

REUTER NOTES THAT IN SEVERAL PROVINCES ON CENTRAL COAST TUESDAY LAWYERS BEGAN MONTH-LONG BOYCOTT OF COURTS IN PROTEST AGAINST THIEU DECREES WHICH THEY SAID ARE "STIFLING FREEDOM OF EXPRESSION AND THREATENING SECURITY OF CITIZENS."

AT CHINH TAM, PROTESTING VILLAGERS CARRIED BANNERS SAYING "MASSACRE US ALL" IN MOURNING FOR TWO VILLAGE RESIDENTS THEY CONTEND WERE KILLED BY POLICE IN LAND DISPUTE. MANY DEMONSTRATORS WERE RCS WHO HAD FLED NVN. AS THEY DEMONSTRATED, VILLAGE WAS CORDONED OFF BY SECURITY FORCES (WP).

NYT'S SHIPLER, IN VIENTIANE, REPORTS THAT GROUP OF US QUAKERS HAS BEGUN PROVIDING WHAT IS BELIEVED TO BE FIRST AID FROM US TO PL, HAVING DONATED THREE PORTABLE SAWMILLS TO PL AND CONDUCTED TWO-MONTH COURSE IN OPERATION AND MAINTENANCE. AFSC'S INDOCHINA DIRECTOR, MARTIN TEITEL, SAYS THIS IS FIRST TIME PL WORKED WITH AMERICANS, AND "TO US THE HUMAN CONTACT WAS MORE IMPORTANT THAN THE SAWMILLS." TEITEL SAID MILLS, WHICH COST ABOUT 10,000 DOLS, RUN ON VOLKSWAGEN ENGINES AND ARE PARTICULARLY USEFUL IN MOUNTAIN TERRAIN OF PL TERRITORY. PL WERE SO PLEASED THAT THEY SOLICITED MORE FROM OTHER SOURCES, ACCORDING TEITEL. HE SAID COMMITTEE ALSO DONATED ABOUT 10,000 DOLS WORTH OF TWO-TON DEEP-DISK PLOWS TO OTHER SIDE OF COALITION GOVT, AND IS CONSIDERING BUILDING MARKET AND CLINIC FOR SETTLEMENT OF MEO REFUGEES ABOUT 33 MILES NORTH OF VIENTIANE.

UNCLASSIFIED

PAGE 03 STATE 243999

SHIPLER OBSERVES THAT PL HAS BEEN STAND-OFFISH WITH REGARD TO USG ASSISTANCE IN ITS AREAS OF CONTROL -- AS US DIPLOMAT PUT IT, "THEY HAVEN'T ASKED AND WE HAVE UNDERTAKEN NO PROJECTS THERE"; US AID PROGRAM TO RLG HAS CONTINUED UNINTERRUPTED, BUT PROJECTS ARE ALL IN REGIONS UNDER CONTROL OF VIENTIANE FACTION. OFFICIALS BELIEVE THAT BEFORE PL ACCEPTS ANY WESTERN AID FOR THEIR AREAS, ROADS BETWEEN ZONES WILL HAVE TO BE REOPENED AND FREEDOM OF MOVEMENT ESTABLISHED; THEN, US DIPLOMAT EXPLAINED, ALL AID WILL BE GIVEN THROUGH LAO GOVT.

AFSC HAS LONG RECORD OF DONATIONS TO BOTH NVN AND PRG.

"SIGNIFICANTLY, HOWEVER," TEITEL SAID THAT FOR FIRST TIME IN RECENT MONTHS, USG LICENSED IT TO PROVIDE NVN ASSISTANCE, LICENSE BEING NECESSARY TO AVOID VIOLATING US LAW REGARDING TRADE WITH ENEMY. COMMITTEE APPARENTLY BROKE THIS LAW REPEATEDLY BEFORE C-F AGREEMENT SIGNED, BUT WAS NEVER PROSECUTED. TEITEL SAID QUAKERS LICENSED RECENTLY TO DELIVER HOSPITAL AND LABORATORY EQUIPMENT TO NVN, AND NOW ARE MOVING MORE INTO "EDUCATION STUFF," WHICH INCLUDES SUCH MATERIALS AS EXERCISE BOOKS.

2. JAPAN

CSM (TOKYO) QUOTES SHIINA IN MAINICHI INTERVIEW MONDAY SAYING TANAKA ASKED HIM ABOUT FORMING CARETAKER CABINET SHOULD HE RESIGN IN AFTERMATH OF MAGAZINE EXPOSE OF HIS PUBLIC AND PRIVATE FINANCIAL DEALINGS.

REUTER (PERTH) REPORTS TANAKA VISIT TO WESTERN AUSTRALIA MINES, MAJOR SOURCE OF JAPANESE IRON ORE IMPORTS. AT RECEPTION, WA PREMIER COURT SAID "PARTNERSHIP BETWEEN AUSTRALIA'S LARGEST STATE AND JAPAN IS PERFECT EXAMPLE OF INTERDEPENDENCE." AUSTRALIANS ALSO HOPE TO DISCUSS FOOD AND FIBER SUPPLIES BEFORE TANAKA LEAVES FOR RANGOON.

AP TOKYO REPORTS GOJ PLANNING CAMPAIGN TO PROMOTE ENTHUSIASTIC PUBLIC WELCOME FOR FORD TO COUNTER NON-VIOLENT ANTI-VISIT MOVES BY LEFTISTS. CABINET SECRETARY NIKAI DO PLANS TO ASK OPPOSITION LEADERS TO JOIN IN UNCLASSIFIED

PAGE 04 STATE 243999

WELCOME "BECAUSE FORD VISIT WILL BE FIRST BY AMERICAN PRESIDENT IN 100-YEAR HISTORY OF US-JAPAN RELATIONS."

JSP PLANS JOINT RALLIES AGAINST VISIT WITH SOHYO, EXPECTS 100,000 TO TURN OUT NOV 17, ON EVE OF FORD VISIT. ALSO PLANS RALLY NOV 21, WHEN FORD LEAVES FOR ROK. JSP CHARGES VISIT AIMS TO STRENGTHEN MILITARY ALLIANCE BETWEEN US, JAPAN AND ROK.

IN REGULAR JAPAN-SOV BUSINESS COOPERATION COMMITTEE MEETING IN TOKYO, JAPANESE BUSINESS LEADERS PROPOSE THAT SOVS SOFTEN TERMS FOR TYUMEN OIL DEVELOPMENT PROJECT. JAPANESE WANT MORE OIL SOONER, AND DECLINE TO PUT UP 3.2 BILLION DOLLAR CREDITS ASKED BY SOVS (REUTER - TOKYO). EARLIER IN WEEK JAPANESE BUSINESS TEAM IN MOSCOW AGREED TO FURTHER STUDY OF PROJECT. JAPAN REPORTED UNHAPPY ABOUT SOV PLAN TO SHIP OIL TO NAHODKA VIA BAIKAL-AMUR RAILROAD NOW UNDER CONSTRUCTION, INSTEAD OF PIPELINE DISCUSSED EARLIER (REUTER-MOSCOW, NOV 4).

3. BURMA

LELYVELD (NYT) REPORTS FROM RANGOON ON NE WIN'S OPPOSITION TO POPULATION CONTROL. HE FEELS BURMA MUST DOUBLE PRESENT POPULATION OF 30 MILLION BY END OF CENTURY TO REMAIN SECURE AGAINST INDIA AND CHINA. INCREASED RATE OF POPULATION GROWTH SINCE 1962, COMBINED WITH LESS THAN HALF-PERCENT INCREASE IN FOOD OUTPUT, APPEARS TO HAVE DISSIPATED BURMA'S RICE SURPLUS, ONCE GREATEST IN AREA. NO ONE IN BURMA ARGUES OPENLY IN FAVOR OF BIRTH CONTROL, BUT LELYVELD FINDS PHYSICIANS QUIETLY URGING RELAXATION

OF GOVT BAN ON CONTRACEPTION AND STERILIZATION, ON GROUNDS HALF OF MATERNAL MORTALITY CASES IN RANGOON HOSPITALS LAST YEAR RESULTED FROM BOTCHED ABORTIONS.

4. HONG KONG

HONG KONG LIFTS WATER RATIONING AFTER FOUR TYPHOONS REFILL RESERVOIRS, BUT CONTINUES TO BUY BILLIONS OF GALLONS FROM CHINA AT COST OF MORE THAN 20 CENTS PER UNCLASSIFIED

PAGE 05 STATE 243999

THOUSAND (JOC).

5. KOREA

SEOUL POLICE ASK WARRANTS FOR ARREST OF 13 EMPLOYEES OF DISCO IN WHICH 88 DIED IN FIRE. CITY GOVT DISMISSES TWO OFFICIALS FOR FAILURE TO ENFORCE FIRE-PREVENTION MEASURES AND LEGAL CLOSING HOURS (AP - SEOUL).

6. AUSTRALIA

DEPUTY PM CAIRNS, IN GUYANA FOR FIRST MEETING OF INTERNATIONAL BAUXITE ASSOCIATION, SAYS PROSPECT OF A WORLDWIDE PRICE CARTEL IN ALUMINUM IS UNREALISTIC, BUT SUPPORTS JAMAICA'S EFFORTS TO COLLECT HIGHER ROYALTIES (UPI - NYT).

7. CHINA

NYT'S TELTSCH, AT UN, REPORTS PRC ACCUSED SOVIET MONDAY OF SEEKING TO MASQUERADE "AS THE STANDARD BEARER OF NUCLEAR DISARMAMENT" WHILE ACCELERATING ATOMIC WEAPONS DEVELOPMENT. CHINESE DELEGATE CRITICIZED US, BUT WAS NOTICEABLY HARsher IN ATTACK ON SOVIET; HE ALSO SHED LITTLE LIGHT ON PEKING'S NUCLEAR UNDERTAKINGS.

JOC'S STRAUSS, IN HK, REPORTS BANK OF CHINA HAS MOVED TO INCREASE ATTRACTIVENESS OF AN UNUSUAL DEPOSIT SCHEME BASED ON RMB BY ANNOUNCING INTEREST INCREASES ON RMB DEPOSITS, BRINGING IT INTO CLOSER LINE WITH REGULAR BANK DEPOSITS IN HK.

REUTER (PEKING) PELL OF MANUAL LABOR TO ENSURE THEY DO NOT FOR SYMBOLIC SPELL OF MANUAL LABOR TO ENSURE THEY DO NOT LOSE CONTACT WITH WORKING CLASSES. PEOPLE'S DAILY REPORTED TUESDAY THAT LEADERS IN SEVEN PROVINCES HAVE SPENT DAY WORKING AT FACTORIES AND TRANSPORT CENTERS; AND MONDAY PRESS REPORTED THAT PEKING MUNICIPAL LEADERS WENT TO WORK AT STEEL FACTORY AND SOLICITED WORKERS' OPINIONS ABOUT PEKING MUNICIPAL PARTY COMMITTEE. OBSERVERS SEE THESE

UNCLASSIFIED

PAGE 06 STATE 243999

MOVES IN CONTEXT OF POLITICAL CAMPAIGN TO ERASE LIN PIAO/ CONFUCIUS INFLUENCE, WHICH APPEARS TO HAVE LOST MOMENTUM IN RECENT MONTHS.

THOMAS COOK ANNOUNCED MONDAY THAT FIRST ORDINARY TOUR GROUPS OF CHINA WILL BEGIN BY MIDDLE OF NEXT YEAR. FIRM SPOKESMAN SAID PEKING WOULD NOT GRANT NORMAL AGENCY COMMISSIONS, SO COOK'S PROFITS WILL BE LIMITED TO TOUR ARRANGEMENTS OUTSIDE CHINA. FIRM WILL ATTEMPT TO USE CAAC ON FLIGHTS TO CHINA AS MUCH AS POSSIBLE, AND IMPLIED THAT ONLY BRITONS WILL BE ELIGIBLE TO JOIN TOUR GROUPS, AT LEAST INITIALLY.

8. MICRONESIA

WILSON (WP) REPORTS SENATE INVESTIGATION OF CHARGES THAT US MONEY AND WAR SURPLUS BEING SQUANDERED IN MICRONESIA. SEN JACKSON, CHAIRMAN OF SENATE INTERIOR COMMITTEE AND PERMANENT INVESTIGATIONS SUBCOMMITTEE, SENT THREE INVESTIGATORS TO TRUST TERRITORY OCT 26 AFTER HEARING TESTIMONY FROM CONTRACTOR THAT "WHAT THEY ARE DOING IN MICRONESIA WITH AMERICAN MONEY IS A SCANDAL." INTERIOR COMMITTEE LOOKING INTO HOW FEDERAL MONEY BEING SPENT IN MICRONESIA, AND PERMANENT INVESTIGATIONS SUBCOMMITTEE INTO DISPOSAL OF VIETNAM WAR SURPLUS. JUSTICE AND GAO, WITH DOD HELP, ARE ALSO INVESTIGATING ALLEGED IRREGULARITIES IN WAR SURPLUS SALES IN PACIFIC. TTPI HICOM JOHNSTON TOLD INTERIOR COMMITTEE THAT CHARGES ARE "TOTALLY UNSUBSTANTIATED, LIBELOUS AND SCANDALOUS." REPORT BY INVESTIGATORS IS EXPECTED TO INFLUENCE ADMINISTRATION REQUESTS FOR INCREASED APPROPRIATIONS FOR MICRONESIA IN FY 75 AND 76.

COMMENT AND ANALYSIS

9. INDOCHINA

CDN'S BEECH, IN DANANG, REPORTS CITY, ONCE "CESSPOOL" OF SVN, HAS BEEN TRANSFORMED INTO CLEAN, ORDERLY, TREE-

LINED PLACE THAT COULD BE MODEL FOR COUNTRY IF ONLY WAR WOUL
UNCLASSIFIED

PAGE 07 STATE 243999

END. DANANG'S TRANSFORMATION "IS SO COMPLETE THAT IT IS
HARDLY RECOGNIZABLE" TO VISITOR;WHO KNEW IT WHEN US
TROOPS WERE THERE. GONE ARE MOUNTAINS OF GARBAGE IN STREAM,
CLOGGED, FOUL-SMELLING DRAINAGE DITCHES, STAGNANT POOLS
SWARMING WITH MOSQUITOES. ONCE SCABROUS-LOOKING PUBLIC
BUILDINGS ARE DAZZLING WHITE WITH BLUE TRIM; TREES NOW
LINE WATERFRONT. TO BEECH, CITY LOOKS MORE LIKE IT DID
IN FRENCH COLONIAL DAYS WHEN IT WAS CALLED TOURANE --

EXCEPT IT IS VIETNAMESE CITY, DESPITE PRESENCE OF 350
AMERICANS, AND IT IS CLEANER.

ADDA (AGENCY FOR DEVELOPMENT OF DANANG AREA) IS
ORGANIZATION BEHIND CITY'S TRANSFORMATION -- SORT OF
WPA AIMED AT PUTTING SOME OF VN'S UNEMPLOYED THOUSANDS
TO WORK ON USEFUL PROJECTS. NEWLY-CONSTRUCTED SALT
WATER INTRUSION DIKE NEAR HOI AN, 45-MINUTE DRIVE SOUTH
OF DANANG, IS ONE OF TWO THAT, WHEN COMPLETED, WILL
CONVERT NEARLY 10,000 ACRES OF SALT MARSH INTO TILLABLE
LAND. PROGRAM HAS BEEN SO SUCCESSFUL IT HAS WON ENDORSEMENT
OF COMMUNISTS WHO SAY IT IS ALL RIGHT FOR PEOPLE TO WORK
ON DIKE (LAT NOV 1).

LAT'S MCARTHUR, IN SAIGON,REPORTS THAT LAM SON SQUARE --
CAPITAL'S PLACE DE LA CONCORDE, IS AGAIN FILLED WITH
CRIES OF IRATE POLITICIANS, WITH TUB-THUMPING, HEAD-
KNOCKING AND DEMONSTRATING IN GENERAL. UNSETTLED SVN
POLITICAL CLIMATE NOW "VIRTUALLY INSURES" THAT LAM SON
SQUARE IS ONCE AGAIN IN FOR FULL SEASON OF THEATRICALS --
MUCH OF WHICH WILL PROBABLY APPEAR IN US TV NEWS, FOR
LAM SON SQUARE IS CERTAINLY MOST PHOTOGRAPHED PIECE OF
REAL ESTATE IN SVN. ALL THREE US NETWORKS HAVE OFFICES
OVERLOOKING IT AND LOADED CAMERAS ARE ALWAYS READY TO
RECORD CONFLICT UNFOLDING BELOW. MEANWHILE, IT IS SAFE
TO SAY THAT 99 PERCENT OF SAIGON'S POSSIBLY THREE MILLION
PEOPLE WILL SEE LITTLE OR NOTHING OF THE SPECTACLE, FOR
SVN'S OWN STATE-OWNED NETWORK IS UNLIKELY TO SHOW
POLICEMEN WORKING OVER AN AMERICAN REPORTER OR SOME
DEPUTY SHOUTING FOR THIEU'S RESIGNATION; FREQUENTLY,
VIET AND WESTERN NEWSMEN, CAMERAMEN AND STILL PHOTOGRAPHERS
OUTNUMBER DEMONSTRATORS. SAYS NEWS REPORTS OF SUCH
UNCLASSIFIED

PAGE 08 STATE 243999

DEMONSTRATIONS CAN LEAVE IMPRESSION OF WIDESPREAD DISORDER,
WHEN IN FACT MOST ACTION TAKES PLACE IN AREA THAT COULD
EASILY FIT INTO SMALL TOWN BALL PARK.

IT IS COMMENTARY ON VIGOR OF MOST RECENT DEMONSTRATIONS THAT SERVICE AT NEARBY CONTINENTAL HOTEL HAS CONTINUED UNINTERRUPTED, WITH WISE AND AGING WAITERS HARDLY GLANCING AT STREET. RECALLS THAT CONTINENTAL'S IS ONLY OPEN-AIR BAR WHICH NEVER PUT UP WIRE SCREENS DURING OLD VC TERRORIST DAYS -- GIVING RISE TO STRONG SUSPICIONS THAT ITS ASTUTE MANAGEMENT MET TAX OBLIGATIONS TO ALL SIDES. DURING CURRENT DEMONSTRATION SEASON, LITTLE HAS BEEN SEEN OF REV TRAN HUU THANH, WHO IS CONCENTRATING ON HUSTINGS AND TELLING NEWSMEN IT WILL BE TWO OR THREE MONTHS

"BEFORE HIS ORGANIZATION IS IN PRESENTABLE DOWNTOWN SHAPE." MEANWHILE, SPECTACLE IS MAINLY BEING PROVIDED BY ABOUT 20 OPPOSITION DEPUTIES, 100 OR SO LOCAL NEWSMEN PROTESTING CENSORSHIP AND BY MRS NGO BA THANH; LATTER, UNDAUNTED BY TWO YEARS IN PRISON, FOR WHICH SHE BLAMES US, HAS REGROUPED SMALL BAND OF ANTIWAR STUDENTS AND BUDDHIST NUNS "AND APPEARS FAITHFULLY AT ANYONE ELSE'S DEMONSTRATION WHEN SHE IS NOT LEADING HER OWN." MOST DEMONSTRATORS, AND MANY OF NEWSMEN AND POLICE IN AND OUT OF UNIFORM, ARE FAMILIAR FACES TO LAM SON REGULARS. POLITICAL RHETORIC OF PROTESTORS HAS HARDLY BEEN STIRRING OR MEMORABLE AND HAS NOTABLY FAILED TO STIR UP MUCH CROWD REACTION (NOV 1).

TO SUN'S ISAACS, IN SAIGON, REV TRAN HUU THANH'S MOVEMENT HAS DEMONSTRATED SIGNIFICANT DROP IN THIEU'S POPULARITY AMONG CATHOLICS. THANH'S VEHEMENT ANTI-COMMUNISM HAS APPEALED TO CATHOLICS AND ESPECIALLY THOSE WHO FLED NVN. ISAACS SAYS WHAT MAKES PROTEST MOVEMENT SERIOUS -- "AND MOST OBSERVERS AGREE IT HAS BECOME THE MOST SIGNIFICANT THREAT" TO THIEU SINCE HE GAINED OFFICE -- IS NOT SO MUCH ITS OWN STRENGTH, BUT THIEU'S WEAKNESS. WHILE THIEU IS IN NO IMMEDIATE DANGER OF BEING OVERTHROWN -- HIS CRACKDOWN LAST WEEK SHOWED GOVT IS STILL ABLE TO THROTTLE STREET DEMONSTRATIONS IF IT CHOOSES -- REGIME NO LONGER UNCLASSIFIED

PAGE 09 STATE 243999

APPEARS AS UNSHAKABLE AS ONLY FEW MONTHS AGO. IN RECENT WEEKS, THIEU HAS MADE CONCESSIONS OF MAGNITUDE HE HAS NEVER BEFORE HAD TO MAKE TO POLITICAL OPPONENTS.

10. CHINA

REUTER'S PEARCE, IN PEKING, SAYS PEOPLE'S DAILY BOAST THAT "THERE IS NO INFLATION" IN PRC BASICALLY TRUE FOR 800 MILLION CHINESE; BUT FOR FEW THOUSAND FOREIGN DIPLOMATS, BUSINESSMEN OR JOURNALISTS, COST OF LIVING RISE IS UP SHARPLY. THERE HAS BEEN TENDENCY TO ISOLATE FOREIGN COMMUNITY FROM CHINESE TO AN INCREASING EXTENT SINCE GPCR, AND AT SAME TIME TO HELP PAY FOR PRC'S

EXPANDING DIPLOMATIC CORPS BY SQUEEZING FOREIGNERS LITTLE HARDER. "FOREIGN GUESTS" ARE SHOCKED NOT BY PAYING INTERNATIONAL PRICES FOR CERTAIN SERVICES, BUT SUDDENNESS AND SIZE OF PRICE INCREASES. IN JANUARY, PLANE FARE FROM CAPITAL TO CANTON WENT UP 150 PERCENT, TO IATA RATES; BUT CHINESE STILL PAY SUBSIDIZED FARES. PRICES IN FOREIGNERS' HOTELS AND BETTER RESTAURANTS ALSO SHOT UP AROUND 50 PERCENT LAST YEAR, WHILE ROOMS AT PEITAIHO DOUBLED OR EVEN TRIPLED IN PRICE. TAXI FARES ROSE DRAMATICALLY WITH INTRODUCTION OF FLEET OF IMPORTED JAPANESE CARS, AND PRESENT MINIMUM FARE OF TWO

YUAN (88 CENTS) IS ONE OF MOST EXPENSIVE IN ASIA. LOCAL PEOPLE USE SMALL THREE-WHEELER TAXIS WHICH COST LESS THAN HALF AS MUCH, BUT FOREIGNERS ARE GENERALLY NOT ALLOWED TO USE THEM.

ONE AREA IN WHICH CHINESE "HAVE FORFEITED CONSIDERABLE GOODWILL IS THEIR MERCENARY APPROACH' TO INDUSTRIAL AND TRADE EXHIBITIONS MOUNTED IN CHINA. NOT CONTENT WITH OBVIOUS BENEFITS OF THESE VENTURES SUCH AS TECHNICAL LECTURES BY VISITING EXPERTS AND PURCHASE OF EQUIPMENT ON DISPLAY AT "KNOCKDOWN PRICES," CHINESE APPEAR DETERMINED TO WRING EVERY POSSIBLE PENNY FROM EXHIBITORS, OFTEN IN TRIVIAL WAYS. IN PAST FEW MONTHS SEVERAL EXHIBITORS WHO PUT THEIR TRUST IN SPIRIT OF "MUTUAL FRIENDSHIP AND UNDERSTANDING," HAVE BEEN STUNNED BY "RIPOFFS" RESULTING FROM LOOPHOLES IN THEIR CONTRACTS WITH CHINESE. COMMERCIAL UNCLASSIFIED

PAGE 10 STATE 243999

ATTACHES IN PEKING ARE NOW WARNING THEIR TRADE MINISTRIES AND BUSINESSMEN THAT THEY MUST TAKE CARE TO HAMMER OUT EVERY DETAIL OF ARRANGEMENTS FOR EXHIBITIONS WELL IN ADVANCE, AND ESPECIALLY COST OF EVEN SMALLEST ITEMS.

ON DIPLOMATIC FRONT, "SOCIALIST CHINA" COMBINES SHREWD BUSINESS ACUMEN WITH POLITICAL SELF-INTEREST IN CHARGING EMBASSIES ON SLIDING SCALE FOR LOCAL STAFF THEY EMPLOY, ACCORDING TO THEIR COUNTRY'S WEALTH AND POLITICAL ORIENTATION. PEARCE CONTENDS THAT DIPLOMATIC SERVICES BUREAU RUNS "CHINESE-STYLE 'ROBIN HOOD' SYSTEM," USING HIGH SALARIES DEMANDED FROM N. AMERICAN, W. EUROPEAN AND OTHER INDUSTRIALIZED NATIONS TO SUBSIDIZE EMBASSIES FROM FRIENDLY THIRD WORLD COUNTRIES, AND ALSO MEET PART OF HIGH COSTS OF CHINESE EMBASSIES ABROAD. IN GENERAL, CHINESE APPEAR TO HAVE DECIDED THAT FOREIGNERS SHOULD PAY AS MUCH FOR CERTAIN SERVICES IN CHINA AS THEY WOULD ELSEWHERE, REGARDLESS OF COST OF PROVIDING THEM. THEY ALSO KNOW THAT MOST FOREIGNERS WORKING IN PRC ARE EMPLOYED BY GOVTS AND COMPANIES WHO HAVE TO BE REPRESENTED IN CHINA, NO MATTER WHAT THE COST, WHILE MOST TOURISTS WHO VISIT COUNTRY ARE TREATED TO TIGHTLY PACKAGED TOUR.

LAT'S ELEGANT IN HK, CITES KWANGMING DAILY REVELATION THAT MAO IS SERIOUSLY ILL AND POLITICALLY "PARALYZED" -- HIS CONDITION BEING DELIBERATELY CONCEALED BY REGIME. PAPER FURTHER WARNED THAT PRC SOCIALIST SYSTEM WILL PERISH UNLESS MUCH HARSHER REPRESSIVE MEASURES ARE ENACTED AGAINST INTERNAL ENEMIES. ELEGANT REPORTS PAPER ADDING GLUMLY, HOWEVER, THAT "INHERENT LIMITATIONS" OF PRC LEADERSHIP ARE SO GREAT THAT IT IS ALL BUT IMPOSSIBLE FOR THEM TO TAKE PROPER ACTION OF PURGING

AND EXECUTING LARGE NUMBER OF COUNTER-REVOLUTIONARIES. TO ELEGANT, THIS WAS "MOST CANDID REVELATION IN DECADE ABOUT BOTH THE CHAIRMAN'S ILLNESS AND DISSENT WITHIN COMMUNIST LEADERSHIP."

PAPER VIRULENTLY ATTACKED NOT ONLY MAO, BUT CHOU AND TENG. FULL-PAGE ARTICLE DECLARED MAO HAD PERMITTED PRO-CAPITALIST GROUP TO COME TO POWER BECAUSE HIS UNCLASSIFIED

PAGE 11 STATE 243999

WILL WAS "PARALYZED." CHINESE WORD USED THREE TIMES IN ARTICLE -- MA-PI -- ALSO MEANS "PALSIED." SOME CHINA SPECIALISTS TOOK "STARTLINGLY OUTSPOKEN ARTICLE" AS CONFIRMATION THAT MAO IS SUFFERING FROM PARKINSONISM. ARTICLE CHARGED MAO HAS LOST HIS "ALERTNESS" TOWARD HIS ENEMIES, AND THAT HE CANNOT "PRESERVE THE CLARITY OF HIS MIND." ARTICLE WAS ENTITLED, "THE LESSON OF THE FALL OF THE CHIN DYNASTY," AND ITS AUTHOR FLATLY DECLARED HE WAS DRAWING CLOSEST PARALLELS WITH CONDITIONS IN CHINA TODAY. ELEGANT SAYS ARTICLE WAS DIRECT AND EXPLICIT IN ITS REFERENCES TO PRESENT SITUATION. ADDS THAT WHILE HISTORICAL ALLUSION IS NORMAL UNDER CHINESE SYSTEM, "IT IS, HOWEVER, HIGHLY UNUSUAL FOR THE ARTICLE TO UNDERSCORE ITS POINTS ... BY DECLARING SEVERAL TIMES THAT IT WAS DRAWING A LESSON FROM THE PAST" (GLOBE NOV 2).

11. FORD-BREZHNEV SUMMIT

JOE KRAFT LAUDS HAK'S SKILLS AS "TACTICIAN" -- CITING HIS TRIUMPHS IN THE OPENING TOWARD PRC AND VN SETTLEMENT, AMONG OTHERS, BUT HAS DOUBTS ABOUT SECRETARY'S "STRATEGIC SENSE" -- OBSERVING THAT FOR SAKE OF SUMMIT MEETING PRES FORD "DOESN'T REALLY NEED," HAK "BLITHELY ACCEPTED THE VLADIVOSTOK SITE WITHOUT DULY ASSESSING THE DAMAGE DONE TO THIS COUNTRY'S TRULY IMPORTANT CONNECTIONS WITH CHINA AND JAPAN." VLADIVOSTOK MEETING, TAKING PLACE ON LAND CLAIMED BY PRC, AND WHICH SYMBOLIZES SOVIET'S IMPERIAL DRIVE IN PACIFIC, IS BOUND TO STRAIN RELATIONS WITH PRC AND JAPAN -- OUR TWO IMPORTANT FRIENDS IN AREA. INGERSOLL

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 06 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE243999
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D740318-0690
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741186/abbrzabl.tel
Line Count: 488
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by morefirh>; APPROVED <12 FEB 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NOVEMBER 5 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
BIEN HOA
CAN THO
DANANG
HONG KONG
NHA TRANG
JEC PARIS INFO TRSY

USAGE NKP
CINCPAC HONOLULU HI
COGARD

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005